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RUEHKP/AMCONSUL KARACHI 3017
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SUBJECT: AMBASSADOR'S MEETING WITH FATA SECRETARIAT
ADDITONAL CHEIF SECRETARY ARBAB, 5 OCTOBER 2006

Summary

¶1. (U) Ambassador met with Federally Administered Tribal Areas (FATA) Secretariat Additional Chief Secretary (ACS) Shehzad Arbab on October 5. FATA Secretariat Secretary for Planning and Development Zafar Hassan, ODRP Chief MG Helmy, Islamabad DATT, Peshawar PO, USAID Officer (notetaker) were also present. Meetings with NWFP Governor Orakzai and 11th Corps Commander LTG Hamid reported septels.

¶2. (U) ACS Arbab reported that the FATA Sustainable Development Plan should be ready for distribution to donors in time for a February 2007 donors conference. The FATA Secretariat has undergone a re-organization and is focused on

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collecting baseline data as well as upgrading FATA infrastructure. The recently created FATA Development Authority is intended to complement the work of the Secretariat as a public-private partnership. The Secretariat

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will focus on the social sector while the FDA will give attention to the productive sector. End Summary.

Finalizing the FATA Development Plan

¶3. (U) Ambassador reinforced that plans to finalize a FATA Sustainable Development Plan (SDP) by the end of October was welcome news. Arbab estimated the SDP's budget at approximately USD \$2 billion. The ACS also expected that the SDP would be ready for distribution to donors in time for a February 2007 conference.

Re-Inventing the FATA Secretariat

¶4. (U) The ACS reported that the FATA Secretariat had been

strengthened through a recent re-organization that established four Additional Secretaries who will cover planning/development, law and order, coordination, and finance. A Director for Monitoring (programs) has also been created. Approximately USD \$10 million, Arbab said, was allocated for capacity building. Gathering a wide range of baseline data is a key priority for the Secretariat. Improving/creating infrastructure, particularly institutions of higher education, roads, irrigation works, and mines were also at the top of the agenda.

Role of the FATA Development Authority

¶5. (U) Regulations creating and governing the FATA Development Authority had also recently been approved, the ACS continued. The purpose of the FDA is to encourage private sector investment in the FATA. The FDA will have a seven-member board comprised of public (three) and private (four) sector representatives. Arbab himself will be the Board's Chief Executive. NWFP Governor Orakzai will designate the board members from the private sector. That selection is expected shortly, Arbab said. The FDA will also have a Steering Committee with representatives from the federal government, chaired by the Governor, with a mandate to set broad policy direction. The Board would have freedom of action within that framework. The FATA Secretariat, Arbab said, will oversee the Fata's social sector development (primarily health and education) while the FDA will oversee the productive sector (infrastructure, mineral development, vocational training, and Reconstruction Opportunity Zones).

Comment

¶6. (SBU) While the outlines of the machinery to tackle the
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problems of the FATA are beginning to take shape, there are many blanks still to be filled in. The Secretariat's capacity to operate on the ground in the tribal areas will continue to present significant challenges. Turf wars with the federal government and provincial actors may emerge, affecting the effectiveness of the re-organized FATA Secretariat and the newly created FDA. One factor in favor of

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the FATA Secretariat's ability to accomplish its mission is the professional and energetic leadership of the ACS.
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